

Richard O. Cunningham  
202.429.6434

January 15, 2002

Via E-mail

Ms. Gloria Blue  
Executive Secretary  
TPSC, Office of the U.S. Trade Representative  
600 17th Street, N.W.  
Washington, DC 20508

Re: Steel, Inv. No. TA-201-073: Response to Comments on Presidential  
Action (Remedy) Under Section 203(a) of the Trade Act of 1974 –  
Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE

Dear Ms. Blue:

Corus Group plc. (Corus) hereby submits its Response to Comments on Presidential Action (Remedy) Under Section 203(a) of the Trade Act of 1974 with respect to Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE. The evidence on the record in support of exclusion of this product is overwhelming: the U.S. industry does not make it despite efforts by the customer for this product to develop a domestic source; this product is extremely difficult to produce so there is currently only one supplier of it in the world (Corus), and this high value, low volume product is not the type of hot-rolled bar that is injuring the domestic producers of hot-rolled bar and light shapes. Consequently, an exclusion for Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE is warranted.

Corus will not now reiterate all the arguments previously proffered with respect to exclusion of this product. In this submission, Corus will limit its comments to those questions raised by the Trade Policy Staff Committee (TPSC) concerning the fact that this tellurium bar is

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an alloy product. Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE does not enter the United States under the same HTS numbers as other free-machining steels because this tellurium bar contains alloys. The HTS numbers designated for other free-machining bars, 7213.20.00.00 and 7214.30.00.00, are in the categories 7213 and 7214, which specifically pertain to “nonalloy steel.” Consequently, Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE enters the United States under tariff heading 7228.30.80.50.

Corus produces Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE in a proprietary process by blending various elements into steel according to very precise specifications. Chromium, molybdenum, and nickel are among the chemicals found in Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE. For customs purposes, these chemicals, in appropriate amounts, qualify a steel product as an alloy.<sup>1</sup> Tellurium Quality Steel Bars in Grades 8620+TE and 5150+TE always contain one or more of these chemicals in levels above those designated by Customs as moving them into the alloy category. Consequently, Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE must enter the United States under an HTS number that is distinct from other nonalloy free-machining bars.

We appreciate your attention to this and all of the exclusion requests presented to you. We recognize that making recommendations with respect to each request is a daunting task. It is vital to the consumers of these highly specialized steel products that great care be given to each

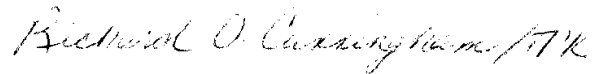
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<sup>1</sup> See Attachment. This attachment is the only evidence that Corus has submitted to the TPSC on Tellurium Quality Steel Bar in Grades 8620+TE and 5150+TE that was not also presented to the International Trade Commission.

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request, notwithstanding the difficulty of the process. We would be happy to assist you further with this process in any way we can.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Richard O. Cunningham / TK".

Richard O. Cunningham  
Tina Potuto Kimble  
STEPTOE & JOHNSON, LLP

Counsel to Corus Group plc.

# **ATTACHMENT**

## Alloy If, Or More

Al	-	Aluminum	0.30
B	-	Boron	0.0008
Cr	-	Chromium	0.30
Co	-	Cobalt	0.30
Cu	-	Copper	0.40
Pb	-	Lead	0.40
Mn	-	Manganese	1.65
Mo	-	Molybdenum	0.08
Ni	-	Nickel	0.30
Nb	-	Niobium	0.06
		(Cb columbium)	
Si	-	Silicon	0.60
Ti	-	Titanium	0.05
W	-	Tungsten	0.30
V	-	Vanadium	0.10
Zr	-	Zirconium	0.05
Other elements			0.10

(except sulphur, phosphorus, carbon & nitrogen)

S/S=C 1.2 or less, Cr 10.5 or more

Non-Alloy, S-Sulphur, P-Phosphorus